LEASE made this Hard day of March Reg., 1956, by and between ASSUNTA DESIMONE, a widow, and THE NATIONAL BANK OF COMMERCE OF SEATTLE, HAROLD S. SHEFELMAN, RICHARD DESIMONE and MONDO DESIMONE, as trustees under the Last Will and Testament of GIUSEPPE DESIMONE, deceased, hereinafter referred to as 'Lessors', and BOEING AIRPLANE COMPANY, a Delaware corporation, hereinafter referred to as "Lessee", WITNESSETH:

15

1. Leased Property, Lessors hereby lease to Lessee the property marked in red on the map attached hereto designated Exhibit "A" and by this reference made a part hereof, said property being situate in the County of King, State of Washington, more particularly described as follows:

That portion of Government Lots 6 and 7, in Section 4, Township 23 North, Range 4 East of W.M., and of the north-west one-quarter of the southeast one-quarter of said Section 4, lying northeasterly of the northeasterly boundary line of the proposed extension of the Duwamish Waterway, which the parties hereto agree shall be described as a line parallel to, and 225 feet northeasterly from, measured at right angles, the southeasterly projection of the center line of the existing Duwamish Waterway (Commercial Waterway District No. 1 of King County), as shown on Exhibit "A"; and that portion of Government Lot 9, in said Section 4, lying westerly of Primary State Highway No. 1(East Marginal Way) and north of a line parallel to, and 1800 feet north of, measured at right angles, the south line of said Section 4.

Less: So much of the aforesaid land as lies south of a line parallel to, and 1800 feet north of, measured at right angles, the south line of Section 4, Township 23 North, Range 4 East of W.M., and easterly of a line parallel to, and 300 feet westerly of the westerly boundary of Primary State Highway No. 1 (East Marginal Way and U.S. 99), as shown on Exhibit "A"; provided, that said portion shall be considered part of the leased property until such time as the present bed of the Duwamish River abutting such portion is abandoned and filled

Subject to:

(1) Easement for pole, wires, cables, fixtures and appurtenances upon, across and over the north 120 feet of said Government Lot 9 granted by instrument recorded January 24, 1933, under Auditor's File No. 2747845.

- (2) Essement for construction and maintenance of poles, cable lines, braces, guys and anchors over, across and upon a portion of said Government Lot 9 as granted by instrument recorded July 31, 1945, under Auditor's File No. 3489618.
- (3) Easement for drainage ditch over and across a portion of said northwest one-quarter of the southeast one-quarter of said Section 4, Township 23 North, Range 4 East of W.M., established by instrument recorded July 19, 1920, under Auditor's File No. 1435845.
- 2. Adjustments and/or Additions to Leased Property.
- (a) Adjustment for Waterway Extension. In the event the Duwamish Waterway should be extended from its present southerly extremity, so that the northeasterly boundary of the extension shall be located differently from the northeasterly boundary of the proposed extension as shown on Exhibit "A", the leased property shall be extended or reduced accordingly, it being the intention of the parties that this lease cover all of the property of Lessors which shall abut the northeasterly boundary of such extension.
- (b) Addition of Old River Bed. That portion of the bed of the Duwamish River lying between the present Duwamish Waterway and the intersection of said river with the southeasterly projection of the northeasterly boundary of such extension of the Duwamish Waterway, which shall be deemed abandoned or which shall cease to be part of the river, and which shall be acquired by Lessors, may be filled or caused to be filled, all or in part, by either party at its own expense; such portion shall be added to the property leased hereunder as filled to the extent that the same is filled (by either or both of the parties, or by public authority or otherwise) approximately to the level of the main body of leased land, provided that there shall be a continuous ground connection between the two parcels shown in red on Exhibit "A", at the level of the abutting uplands, of a width not less

than 250 feet me, ured from north to south, and provided, further, that there shall be excepted from such portion so much thereof as lies south of a line parallel to, and 1800 feet north of, measured at right angles, the south line of Section 4, Township 23 North, Range 4 East of W.M., and easterly of a line parallel to, and 300 feet westerly of, the westerly boundary of Primary State Highway No. 1 (East Marginal Way and U. S. 99), as shown on Exhibit "A".

- 3. Lease Term. The term of this lease shall commence as of the 1st day of <u>December</u>, 1956, and shall continue for fifty (50) years; provided, that the Lessee may terminate this lease as of the <u>30th</u> day of <u>November</u> of the year 1966, 1976, 1986 or 1996 by giving written notice thereof to Lessors at least one (1) year prior to the intended termination date.
- 4. Rent. Lessee agrees and covenants to pay an annual rental to Lessors, in two equal installments, one each on the lat days of the months of _______ becember ____ and ______ respectively, during each year of the lease term, as follows:
 - (a) For the leased property as described in Clause 1 hereof, the sum of \$17,424.00; provided, however, that such sum shall be increased or decreased by 5% of the amount by which the actual area of said property, as determined by survey as provided in Clause 9 hereof, exceeds or is less than 40 acres, multiplied by 20% per square foot.
 - (b) In the event such leased property shall be extended or reduced by reason of the extension of the
 Duwamish Waterway, as provided in paragraph (a) of Clause
 2 hereof, the sum payable as rental under paragraph (a)

- of this Clause 4 shall be increased or decreased by 5% of the amount by which the leased property is so extended or reduced, as determined by survey as provided in Clause 9 hereof, multiplied by 20% per square foot.
- (c) In the event that pursuant to paragraph (b) of Clause 2 hereof there is added to the leased property a portion of the bed of the Duwamish River lying between the present Duwamish Waterway and the intersection of said river with the southeasterly projection of the northeasterly boundary of such extension of the said Duwamish Waterway, the annual rental shall be a sum equal to 5% of the area of such entire leased property (including such added portion), as determined by survey as provided in Clause 9 hereof, multiplied by 30% per square foot. If any additional portion of such bed shall be subsequently added to the leased property pursuant to said paragraph (b) of Clause 2 hereof, the annual rental shall thereupon be increased by a sum equal to 5% of the area of such additional portion, as determined by survey as provided in Clause 9 hereof, multiplied by 30s per square foot.
- (d) On the last day of the 10th, 20th, 30th and 40th years of the lease term, the annual rental provided for in paragraph (a), (b) or (c) above, whichever is applicable, shall be adjusted to determine a new annual rental for the immediately following ten-year period. Such adjusted annual rental shall be in the amount which bears the same ratio to the amount of rental provided in said paragraph (a), (b) or (c), as the Wholesale Price Index (all commodities) issued by the Bureau of Labor Statistics, U. S. Department of Labor, for the month of August of the year

preceding such year bears to the said wholesale Price Index for the month of August, 1956 (which is 114.6); provided, however, that such adjusted rental shall in no event be less than the rental provided in said paragraph (a), (b), or (c).

- (e) In the event that said Wholesale Frice Index is discontinued, Lessors and Lessee hereby mutually agree to select as nearly comparable statistics on the purchasing power of the consumer dollar as are then available, published in some responsible financial periodical of recognized authority, and such statistics shall be used in lieu of said Wholesale Price Index in detamining the adjusted annual rental referred to in paragraph (d) above; provided, that if the parties are unable to agree on the statistics to be so used within thirty (30) days after the date of such adjustment as provided in said paragraph (d), the selection of said statistics shall be made by such third party as the parties may agree upon, or, in default of such agreement, as chosen by the then Presiding Judge of the Superior Court in and for King County, Washington, on application of either party upon notice to the other party.
- 5. Possession. Possession of the property leased hereunder shall be taken by Lessee as of the commencement of the lease term, subject to the following conditions:
 - (a) The present tenancy of (b) (6) , who is occupying and cultivating an area (approximately 10 acres) at the southerly end of the main body of the leased property, shall be terminated by Lessors on or before December 31,1956. Lessors agree that they will cause such tenant to remove as of the date of such termination, or as soon thereafter as Lessors may reasonably accomplish such removal with due

diligence pursuant to law. Pending the removal of such tenant, the rental otherwise payable for the property leased hereunder shall be proportionately reduced and the credit to Leasee for such reduction shall be applied to the rental payable on the next rental payment date.

- (b) Lessors represent that (b)(6), d/b/a Junction Market, is occupying the premises at 10407 East
 Marginal Way under a month-to-month tenancy with rental
 payable to Lessors at the rate of \$65.00 per month. Lessee shall take possession of the leased property subject
 to such tenancy and shall be entitled to retain the rentals
 therefrom commencing as of the beginning of the term of
 this lease, and Lessors hereby assign and set over to Lessee all their right, title and interest in said rentals.
 Lessee agrees that it will not terminate such tenancy on
 less than six (6) months' notice to the above named tenant.
 6. Access.
- (a) Access Road. For the duration of the lease term, Lessors hereby grant to Lessee the right to use for road purposes a strip of land 60 feet in width over Lessors' property in the northwest quarter of the southeast quarter of said Section 4, between West Marginal Way and the southwesterly boundary of the property leased hereunder, the location of such right-of-way to be as shown in green on Exhibit "A", the northwesterly boundary of said right-of-way bearing South 48° 08° 16" West, and being approximately 500 feet southeasterly of the center corner of said Section 4, measured at right angles to said boundary. Said right-of-way shall exist so long as its use is not destroyed by the excavation for the aforesaid extension of the Duwamish River.

- (b) Access Bridge. Lessors hereby consent to the construction, maintenance, operation and use by Lessee of a pedestrian and/or vehicular bridge across the present Duwamish River for the purpose of access and connection of the main body of the lessed property with the right bank of said river, of such type, configuration, construction, location and manner of operation as shall be approved by the District Engineer, U. S. Army, having jurisdiction over such river.
- 7. Use of the Leased Property. Lessee may use the leased property for parking or for construction, maintenance and use of buildings and facilities in connection with its operations, and may at any time, at its expense, construct, erect or make improvements to the property, including without limitation filling, grading, and/or paving any portion of the leased property (including such portion of the old river bed added thereto under paragraph (b) of Clause 2, and the right-of-way provided in paragraph (a) of Clause 6). Any buildings, installations, additions, attachments or fixtures constructed or placed by Lessee on the leased property that are not removed by Lessee prior to the termination or expiration of this lease shall, upon such termination or expiration, be and become the property of the Lessors, without payment therefor. Lessee may, and at Lessors! request shall, remove any such buildings, installations, additions, attachments or fixtures; provided, however, that Lessee's obligation to remove such improvements shall not be deemed to include asphalt paving or other items upon which Lessors and Lessee may hereafter agree.
- 8. Title Insurance. As of the commencement of the term of this lease, Lessors shall furnish at their expense (at a cost not to exceed \$1,000.00, any additional cost to be borne

by Leasee) a leasehold title insurance policy, insuring Leasee's leasehold estate in the leased property in the amount of \$350,000.00.

- 9. Survey of the Leased Property. As soon as practicable after the execution hereof, leasee will obtain at its expense a survey of the property subject to this lease. Upon extension of the Duwamish Waterway as referred to in paragraph (a) of Clause 2, Lessee will at its expense obtain a further survey of the property subject to this lease. Upon the addition to the leased property of a portion or subsequent portions of the old river bed, as referred to in paragraph (b) of Clause 2 hereof, Lessee will obtain at its expense a survey of the property then subject to this lease. Each of the foregoing surveys shall be made by Horton Dennis & Associates or such other engineering firm as the parties hereto may mutually agree upon.
- more than fifty per cent (50%) in area of the leased property as it exists at the time of the execution hereof is taken as the result of the exercise of the power of eminent domain, this lease, at Lessee's option, shall terminate on the date title is vested or lawful possession is taken by the condemnor, whichever first occurs, pursuant to the eminent domain proceedings, said option to be exercisable by notice to Lessors on or before the sixtieth (60th) day after the institution of such eminent domain proceedings. If Lessee does not exercise such option, or if, during the term of this lease, less than fifty per cent (50%) in area of the leased property as it exists at the time of the execution hereof is taken as the result of the exercise of the power of eminent domain, then the amount of the rental to become payable hereunder on and

condemnor, whichever first occurs, pursuant to the eminent domain proceedings shall be reduced by the amount of rental proportionate to the part so taken. Any award made in eminent domain proceedings shall be distributed between Lessors and Lessee as follows:

- (a) Lessors shall receive all sums awarded as compensation for the taking of the land (including grading, sub-grading and filling), and nothing contained in paragraph (b) of this Clause 10 shall reduce these amounts.
- (b) Lessee shall receive all sums awarded as compensation for the taking of any improvements made by Lessee upon the leased property (including without limitation buildings, installations, attachments, fixtures and additions, but excluding grading, sub-grading and filling of the land.)
- 11. Taxes, Assessments and Charges.
- (a) Lessee shall pay prior to delinquency all taxes, assessments and other governmental charges and utility charges levied or assessed against the leased property which shall become due and payable after December 31, 1956, and during each and every calendar year thereafter, up to and including the calendar year in which the lease is terminated, irrespective of whether heretofore or hereafter assessed (except estate, inheritance, succession, capital levy, or transfer tax of Lessors, or income, excess profits, or revenue tax, or any other tax, duty, assessment, charge or levy upon the rentals payable by the Lessee under this lease). Lessors shall pay prior to delinquency all such taxes, assessments, and charges which are or may become due and payable prior to January 1, 1957. Lessee shall also pay prior to delinquency all real or personal property

taxes levied or assessed against the leased property which shall become due and payable during the calendar year following the year in which termination of this lease occurs, but only to the extent that such taxes are attributable to buildings, installations, additions, attachments or fixtures removed by Lessee on such termination.

- (b) If by law any tax, assessment or governmental charge is payable, or at the option of the Lessee may be paid, in installments, Lessee may, without being in default hereunder, pay the same with such interest as shall have accrued thereon, if any, in such installments as they become due and payable, but in any event before any fine, penalty, or cost may be added thereto for nonpayment of any installment or interest.
- (c) As to any assessment payable in installments, if this lease is terminated or expires prior to the date on which any installment falls due, Lessee shall pay such installment and all subsequent installments, if any, if Lessors shall have acquiesced in the levying of such assessment at Lessee's request; otherwise, Lessors shall pay such installment and all subsequent installments, if any.
- (d) Lessee shall have the right to contest all taxes, assessments, utility charges, duties, liens, or charges which it herein agrees to pay and any and all laws, rules, orders, ordinances, and regulations which it has anywhere herein agreed to comply with and shall have the right to defer payment or compliance pending the termination of such contest, and Lessee hereby covenants and agrees to indemnify Lessors against any liability, loss, damage, cost or expense resulting from the deferment of payment, noncompliance with, or contest of any such tax, assessment, utility charge, duty, lien, or charge so

contested or the noncompliance with, or contest concerning, any such law, rule, order, ordinance, or regulation so contested.

- 12. Compliance with Law. Lessee shall comply with all laws, rules and regulations of any governmental agency having jurisdiction of the leased property affecting its use of such property.
- signable by Lessee nor shall more than one-half (1/2) of the leased property be sublet without the consent of Lessors in writing first being obtained, which consent shall not be unreasonably withheld; except, that Lessee may without Lessors' consent assign to the U.S. Government or to any agency or instrumentality thereof, and Lessee also may without Lessors' consent sublet up to and including one-half (1/2) of the leased property; provided, however, that any such assignment or subletting shall not relieve Lossee from any of its obligations under this lease.
- 14. Default of Lossee. If at any time during the term of this lease Lessee shall fail to pay the rentals provided for herein or if Lessee shall fail to comply with any of the terms and conditions of this lease relating to the obligations of Lessee, then Lessors shall give written notice to Lessee to pay such rentals or otherwise comply with the terms and provisions of this lease, as the case may be, and if such default is not cured within thirty (30) days after receipt by Lessee of such notice, Lessors shall have, in addition to such remedies as may be afforded by the laws of the State of Washington, the power and right to declare this lease cancelled and to re-enter the leased property, but notwithstanding such cancellation and re-entry by Lessors, the liability of the Lessee for the rent

mination provided for in Clause 3 hereof (regardless of whether Lesses shall have given the notice therein specified), and in the discharge of such liability Lesses covenants and agrees to make good to Lessors any deficiency arising during such period from the re-entry and reletting of the property at a lesser rent than herein reserved. Lesses shall pay such deficiency each year as the amount thereof is ascertained by the Lessors. Provided, however, that if this lease or any part thereof be assigned to the U. S. government or to any agency or instrumentality thereof, the period within which such assignee must have cured such default to avoid such right of cancellation by Lessors shall be sixty (60) days after its receipt of such notice.

- 15. <u>Indemnity</u>. Lessee covenants and agrees to indemnify Lessors against any liability, loss, damage, cost or expense resulting from:
 - (a) any lien or encumbrance arising from Lessee's use of the leased property, or Lessee constructing, erecting or making improvements thereon;
 - (b) any damage or injury of whatsoever kind or by whomsoever caused to any person or property on or about the leased property, however caused, and whether due in whole or in part to act er acts of negligence on the part of Lessors, their agents or servants, whether such act or acts be active or passive; provided, that the foregoing indemnity shall be applicable only to the extent of any liability not covered by or in excess of such valid and collectible insurance as Lessors may have in effect at the time of such liability, without in any way obligating Lessors to carry any such insurance.
 - 16. Insolvency. In the event Lesses becomes insolvent,

voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for the business of Lessee, then Lessors may terminate this lesse at their option.

- 17. Waiver. Failure of Lessors to insist upon strict performance of any of the covenants and agreements of this lease shall not be construed as a waiver or relinquishment of any such covenants or agreements, or any other covenants or agreements, but the same shall be and remain in full force and effect. The receipt of rent, with or without knowledge of any breach of this lease, shall not be deemed to be a waiver as to any breach of any covenant or agreement contained herein, and the receipt of rent after any breach of this lease shall be construed to be payment for the use and occupancy of the property and no waiver shall be claimed as to any provision of this lease un-
- 18. Notices. /ny notice or request required or authorized hereunder shall be given in writing and sent by registered mail to the address indicated below, or to such other address as the party to receive the notice or request shall designate:

Lessors: c/o Trust Department

The National Bank of Commerce of Seattle

Seattle, Washington

Lessee: Box 3107

...

Scattle 24, Washington

19. Successors and Assigns. The terms, conditions and provisions of this lease shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns. IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed the day and year hereinabove first written.

ATTEST:

THE NATIONAL BANK OF COMMERCE OF SEATTLE Richard Desimone . conclu Mondo Desimone As trustees under the Last Will and Testament or Gluseppe Desimone, Deceased BOEING A LEPLANE COMPANY

COUNTY OF KING

This is to certify that on this day of the control of the state of Washington, duly commissioned and sworn, ASSUNTA (b)(6) E, a widow, to me known to be the individual described in and who executed the within instrument, and acknowledged to me that she signed and sealed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Fuelic in and for the State of Washington, residing at Seattle

STATE OF WASHINGTON,		
County of Sing	4	
On this 21 st	day of Horesber	A. D., 19.56
before me personally appeared	C. H. Olamang	
	and Arley A. Hadson	, to me known
to be the	Assistant Cashier, respective rument, and acknowledged the said instrument for the uses and purposes therein meritary and purposes therein and purposes therein and purposes the purposes and purpose are and purpose an	of the corporation that
they were authorized to seal of said corporation.	execute said instrument and that the sec	al affixed thereto is the corporate
* *************************************		

Notary Public in and for the State of Washington, residing at Souttle

LAWYERS T TLE INSURANCE CORP. -- ACKNOWLEDGMENT-CORPORATION

Notary : blic in and for the State of washington, residing at Seattle

This is to certify that on this day offic to the 1956, before me, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared (b) (6) SHEPELMAN, RICHARD DESIMONE and MONDO DESIMONE, to me known to be the individual co-trustees under the last will and testament of Giuseppe Desimone, deceased, described in and who executed the within instrument, and acknowledged to me that they signed and scaled the same as their free and voluntary act and deed as such co-trustees for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for the State of Washington, residing at Seattle

SUPPLEMENTAL AGREEMENT NO. 1 TO LEASE

THIS SUPPLEMENTAL AGREEMENT NO. 1 entered into as of the day of _______, 1957, by and between ASSUNTA DESIMONE, a widow, and THE NATIONAL BANK OF COMMERCE OF SEATTLE, HAROLD S. SHEFELMAN, RICHARD DESIMONE and MONDO DESIMONE, as trustees under the Last Will and Testament of GIUSEPPE DESIMONE, deceased, hereinafter referred to as "Lessors," and BOEING AIRPLANE COMPANY, a Delaware corporation, hereinafter referred to as "Lessoe," WITNESSETH:

WHEREAS, under lease dated November 14, 1956, Lesson have leased to Lessee certain property in King County, Washington for a period of fifty (50) years, commencing as of December 1, 1956; and

WHEREAS, the parties desire to amend said lease as hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

- 1. Effective on and after the date hereof, paragraph (a) of clause 6 of said lease shall be deemed amended to read as follows:
 - "(a) Access Road. For the duration of the lease term, Lessors hereby grant to Lessee the right to use for road purposes a strip of land 60 feet in width over Lessors' property in the northwest quarter of the southeast quarter of said Section 4, between West Marginal Way and the southwesterly boundary of the property lessed hereunder, the location of such right-of-way to be as shown in green on Exhibit "A," the northwesterly boundary of said right-of-way bearing South 48° 08' 16" west, and being approximately 600 feet southeasterly of the center corner of said Section 4,

measured at right angles to said boundary (which may be also used by Lessors for road purposes to the extent that it does not interfere with Lessee's use thereof or unduly damage the road surface), together with the right to fill said strip and outward on each side thereof to the extent necessary, considering the elevation of said property as the same may hereafter from time to time be changed, to provide for the installation and maintenance of (i) an approximately uniform road gradient between the property leased hereunder and West Marginal Way, and (ii) slopes on each side of said strip of grade approximately two (2) feet horizontal to one (1) foot vertical. Said right-of-way shall exist so long as its use is not destroyed by the excavation for the aforesaid extension of the Duwamish River."

2. The lease, except as hereinabove smended, shall otherwise remain in full force and effect.

IN WITHESS WHEREOF, the parties hereto have caused this indenture to be executed the day and year hereinabove first writ-

THE NATIONAL BANK OF COMMERCE OF SEATTLE Attest: Its Vice President Its Assistant Cashier. As trustees under the Last Will and Testament of Gluseppe Desimone, Deceased CONTRACT ADMINISTRATION

R. GELZENLICHTER SSISIANT SECRETARY. STATE OF WASHINGTON)
SS
COUNTY OF KING

This is to certify that on this day of low, 1957, personally appeared before me ASSUNTA DESIMONE, a widow, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that she signed and sealed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington, residing at Seattle

STATE OF WASHINGTON)
SS
COUNTY OF KING

This is to certify that on this day of 1957, personally appeared before me to me known to be the and to me known to be the respectively, of THE NATIONAL BANK OF COMMERCE OF SEATTLE, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument, and that the seal affixed thereto is the corporate seal of said corporation.

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington, residing at Seattle

STATE OF WASHINGTON)

COUNTY OF KING

This is to certify that on this 3 day of ACCO 1957, personally appeared before me HAROLD S. SHEFELMAN, RICHARD DESIMONE, and MONDO DESIMONE, to me known to be the individual co-trustees under the Last Will and Testament of GIUSEPPE DESIMONE, deceased, described in and who executed the within instrument, and acknowledged to me that they signed and sealed the same as their free and voluntary act and deed as such co-trustees, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington, residing at Seattle